



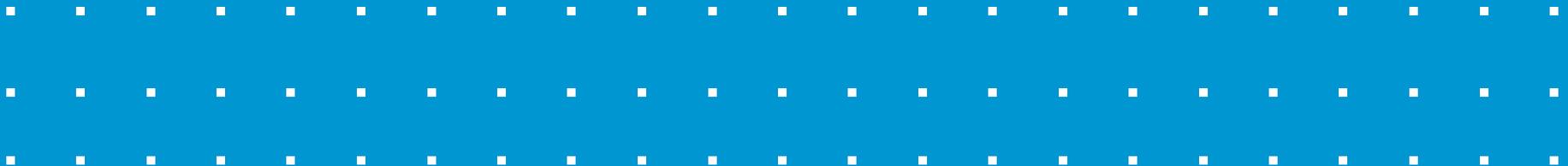
# The Recovery: Investing in and Reemploying Workers

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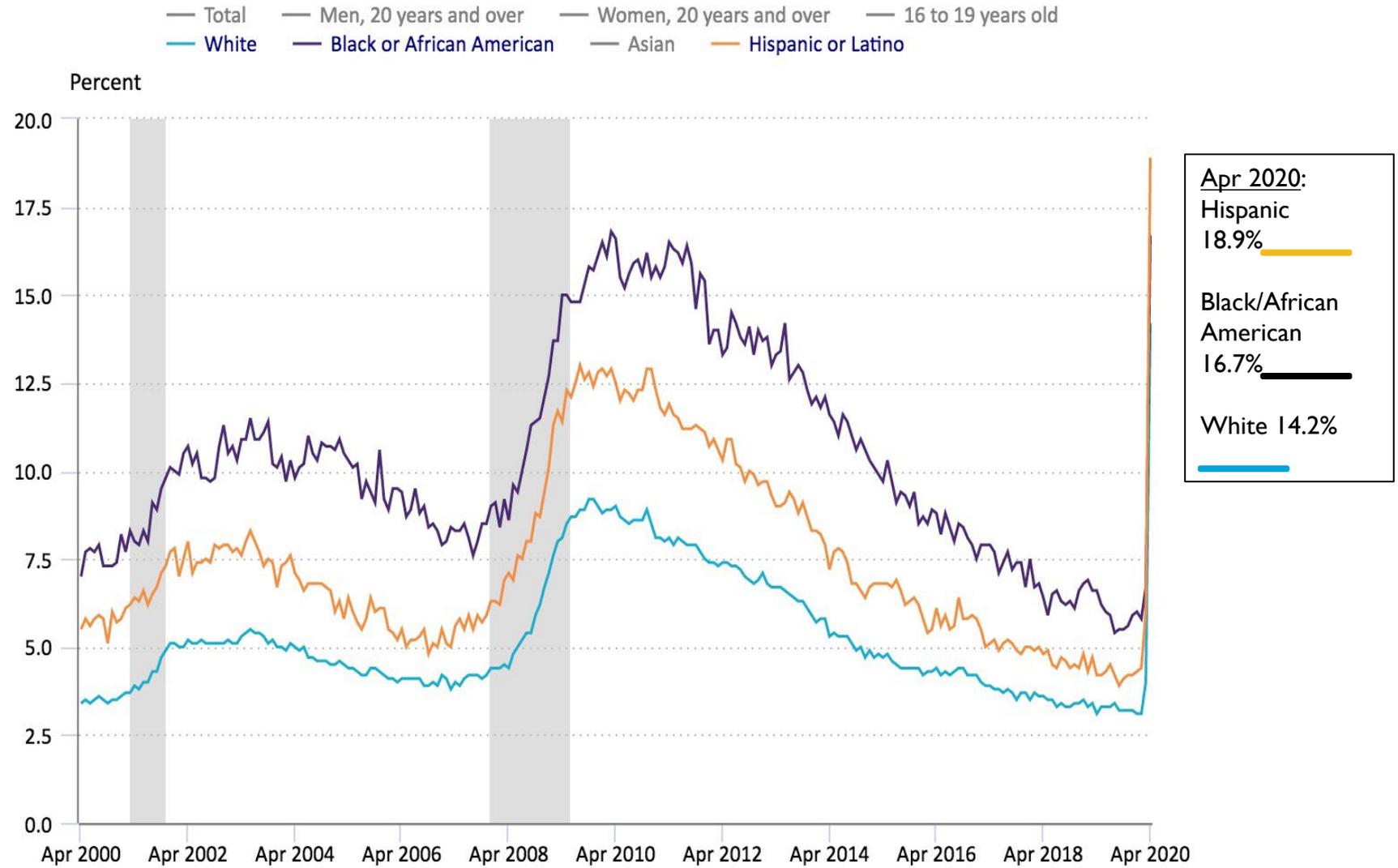
National Black Caucus of State Legislators Conference

May 21, 2020



# Civilian unemployment rate, seasonally adjusted

Click and drag within the chart to zoom in on time periods



Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Persons whose ethnicity is identified as Hispanic or Latino may be of any race.

Source: U.S. Bureau of Labor Statistics.



# Economic situation

- Over 30 million now unemployed
- Black and Hispanic unemployment rate generally higher than White and Asian
- All industries are being affected; women's unemployment rate particularly high now (services, retail, food service sectors)
- Unemployment rate will decline, but not all at once—see previous recession trends
- Nation will probably need a major jobs program; important to plan now,

# Possible Investments for Recovery: Income and Retraining

## ➤ Federally Subsidized Jobs Program

- Public, non-profit community-based jobs (e.g., public health and safety, social and community services, technology, transportation)—targeted to unemployed
- Public, private, non-profit **jobs plus training** for new economy (e.g., technology, sustainable environment)—priority for low income workers and new workers; priority for small businesses

## ➤ Infrastructure Spending

- Job creation in private sector
- Subsidized On-the-job training in public, private, nonprofit sectors

## ➤ Skills training and Education

- Community colleges, certifications, apprenticeships

# Lessons from past subsidized jobs programs

- Long history (WPA in 1930s, CETA in 1970s, Milwaukee New Hope 1990s, Transitional Jobs 2010)
- Positive benefits to workers: income, and new skills (if training is integrated)
- Positive benefits to families: income stability, child wellbeing (income effect)
- Positive benefits to communities (useful public services not otherwise possible) and the nation (skilled workforce)

# More lessons...

- Need multi-pronged approach—infrastructure and projects investments, subsidized jobs, training, job search/employment services
- Subsidized jobs programs are expensive (example: just 1 million jobs for a year might cost over \$30 billion)
- Subsidized jobs need careful planning--details matter:
  - Wages should be set high enough to support worker and family, but not so high it is a disincentive to get a regular job
  - Jobs should not replace regular workers or violate collective bargaining, non-discrimination, or occupational safety laws
  - Federal funds should **add value**—guard against businesses using the program to hire who they would have hired anyway; new federal funds should not supplant other available funding.

# Contact Information

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Other resources--Urban Institute Jobs and COVID-19 Webpages:

<https://www.urban.org/urban-wire/how-policymakers-can-plan-now-jobs-recovery-program>

<https://www.urban.org/features/how-government-jobs-programs-could-boost-employment>

<https://www.urban.org/policy-centers/cross-center-initiatives/building-americas-workforce>